

## Message Text

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ACTION IO-14

INFO OCT-01 EUR-12 ISO-00 OIC-02 ABF-01 OMB-01 TRSE-00

PM-04 ACDA-07 CIAE-00 INR-07 L-03 NSAE-00 NSC-05

EB-07 NRC-05 OES-07 DODE-00 SS-15 FEA-01 /092 W

-----032122Z 057944 /70

R 031723Z JUN 77

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC PRIORITY 1955

INFO USERDA HQ WASHDC PRIORITY

USERDA HQ GERMANTOWN PRIORITY

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USIAEA

DEPT PASS IO/SCT

E.O. 11652: N/A

TAGS: AORG, OCON, IAEA, TECH, PARM, AFIN

SUBJECT: IAEA BOARD OF GOVERNORS -- AGENDA ITEM 4 -- THE AGENCY'S  
BUDGET FOR 1978

REF: IAEA VIENNA 4377

1. PARA 6 REFTEL PROVIDED BREAKDOWN OF PROPOSED CHANGES IN  
AGENCY'S 1978 BUDGET. AMOUNT TO BE ASSESSED TO MEMBER  
STATES IS \$44,7630,000, AN INCREASE OF \$7,7630,000 OR 21  
PERCENT OVER 1977. OF THE LATTER AMOUNT, \$2,790,000 IS  
ATTRIBUTABLE TO PROGRAM GROWTH (PRIMARILY SAFEGUARDS)  
AND THE BALANCE TO INFLATIONARY AND CURRENCY EXCHANGE  
FACTORS. U.S. SHARE OF ASSESSMENT, TAKING INTO ACCOUNT  
SAFEGUARDS FINANCING FORMULA, WOULD BE \$12,758,604.

2. WHILE NOT RPT NOT STATED IN GOVE/1836/ADD.1, MISSION  
HAS LEARNED THAT PROPOSED REDUCTION OF \$190,000 FROM  
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SAFEGUARDS PROGRAM CONSISTS OF \$50,000 INTENDED FOR  
SCIENTIFIC AND TECHNICAL CONTRACTS, PRIMARILY CONTRACT-  
ING OUT TO LABS IN NETWORK FOR ANALYSIS OF SAMPLES OF  
NUCLEAR MATERIAL TAKEN DURING SAFEGUARDS  
INSPECTIONS; AND \$140,000 FROM FUNDS INTENDED FOR  
SALARIES AND OTHER EMOLUMENTS OF STAFF MEMBERS. WE  
UNDERSTAND REDUCTION FOR SAMPLE ANALYSIS CONTRACTS

CAN BE ABSORBED WITHOUT IMPAIRING SAFEGUARDS OPERATIONS, SINCE AGENCY ANTICIPATES FEWER SAMPLES FOR 1978 THAN ORIGINALLY ESTIMATED. REDUCTION FOR STAFF COSTS WOULD BE ABSORBED BY EXTENDING AVERAGE TIME A POST IS KEPT VACANT BEFORE FILLING IT FROM THREE MONTHS TO FOUR MONTHS.

3. MISSION IS NOT RPT NOT HAPPY ABOUT THE PROPOSED REDUCTION FOR SAFEGUARDS, PRIMARILY BECAUSE WE ARE CONCERNED THAT IT COULD BE MISUNDERSTOOD. WE DO NOTE WITH SATISFACTION, HOWEVER, THAT ALL OF THE PROPOSED NEW POSTS (MOSTLY FOR SAFEGUARDS) SURVIVED THE DG'S GUILLOTINE. NEVERTHELESS, WE ARE STILL CONCERNED AS TO WHETHER THERE ARE GOING TO BE SUFFICIENT POSTS FOR DDG ROMETSCH TO JUGGLE AROUND TO MEET SAFEGUARDS OBJECTIVES EFFECTIVELY. NO RPT NO PROVISION HAS BEEN MADE, FOR EXAMPLE, FOR ADDITIONAL STAFF FOR THE EVALUATION GROUP. ACCORDINGLY, WE WILL HAVE TO MONITOR THE SAFEGUARDS PROGRAM CAREFULLY TO ASSURE THAT THEY HAVE SUFFICIENT MANPOWER TO CARRY OUT THEIR RESPONSIBILITIES AND THAT THE PROPOSED BUDGETARY REDUCTIONS MENTIONED ABOVE WILL NOT RPT NOT ADVERSELY AFFECT THESE RESPONSIBILITIES TO ANY SIGNIFICANT DEGREE. WE BELIEVE THE PROPOSED BUDGETARY INCREASES IN OTHER AREAS WERE WELL CHOSEN, PARTICULARLY THOSE RELATING TO THE OCEAN DUMPING AND PHYSICAL PROTECTION ACTIVITIES OF THE AGENCY, WHICH CLEARLY ARE DESIGNED TO COUNTERACT THE HEAVY CRITICISM AT THE A&B CMTE THAT "PROMOTIONAL" PROGRAMS WERE BEING CURTAILED LIMITED OFFICIAL USE

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AT THE EXPENSE OF SAFEGUARDS.

4. RE DG'S CONTROVERSIAL PROPOSAL TO RECLASSIFY THREE P-5 LEVEL STAFF MEMBER TO D-1 LEVEL, THIS HAS BEEN REDEFINED TO MEAN THAT THREE INDIVIDUALS AT P-5 LEVEL MAY BE "UPGRADED" ON BASIS OF MERIT TO "PRINCIPAL OFFICER" (I.E., D-1 LEVEL) AND THAT THE POST ITSELF WILL REMAIN ESTABLISHED AT THE P-5 LEVEL, I.E., WHEN THE INCUMBENT LEAVES, IT WILL BE FILLED ONLY AT THE P-5 LEVEL. MISSION BELIEVES A GENERAL CONSENSUS HAS EMERGED TO LET THE DG HAVE THIS LIMITED AUTHORITY, BUT TO MAKE CLEAR THAT THE BG WILL BE WATCHING CLOSELY TO ASSURE THAT THERE ARE NO RPT NO ABUSES. MISSION BELIEVES IT MAY BE DESIRABLE TO MAKE

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FM AMEMBASSY VIENNA

TO SECSTATE WASHDC PRIORITY 1956

INFO USERDA HQ WASHDC PRIORITY

USERDA GERMANTOWN PRIORITY

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A STATEMENT FOR THE RECORD THAT THE U.S., WHILE NOT RPT NOT OBJECTING TO INCLUSION OF THIS TIME IN THE BUDGET AS MODIFIED BY THE DG'S EXPLANATION, CONTINUES TO HAVE SERIOUS RESERVATIONS TO THE PROPOSAL AS A MATTER OF PRINCIPLE, AND WE FEAR THAT IMPLEMENTATION OF THE PROPOSAL COULD LEAD TO A NUMBER OF UNDESIRABLE CONSEQUENCES. WE HOPE THIS WILL NOT RPT NOT BE THE CASE, AND WE TRUST THE DG WILL EXERCISE HIS UTMOST RESTRAINT IN USING THIS AUTHORITY.

5. RE THE CONTROVERSIAL TABLE I, WHICH SHOWED ALL REGULAR AND EXTRABUDGETARY RESOURCES, THIS HAS BEEN SPLIT INTO TWO SEPARATE TABLES ON FACING PAGES, BUT CONTRARY TO OUR EARLIER UNDERSTANDING, THERE IS NOT RPT NOT A CONSOLIDATED TOTAL SHOWING THE  
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TOTAL RESOURCES (REGULAR AND EXTRABUDGETARY)  
FOR EACH PROGRAM COMPONENT. FYI. AS A MEASURE OF  
THE CONTROVERSY APPARENTLY STILL RAGINGG OVER THE  
TREATMENT OF THIS TABLE, THE AGENCY PUBLICISED TWO

VERSIONS OF GOV/1836/ADD.1. THE FIRST WAS ISSUED MAY 23 AND EACH TABLE WAS ON OPPOSITE SIDE OF A SINGLE PAGE SHEET. THE SECOND WAS ISSUED MAY 25 AND THE TWO TABLES ARE FACING PAGES, THUS MAKING IT EASIER AT A GLANCE TO SEE THE TOTAL MAGNITUDE OF RESOURCES AVAILABLE FOR EACH PROGRAM. FACT THAT THERE ARE TWO VERSIONS OF DOCUMENT WILL ITSELF PROBABLY STIR UP AN EXTENDED DEBATE OVER THE ISSUE. END FYI. SINCE ONE CAN EASILY ADD THE FIGURES TO PRODUCE A CONSOLIDATED TOTAL, WE SEE NO RPT NO PAR-

TICULAR GAINS TO BE MADE BY FURTHER PROLONGING THE DEBATE.

6. RE TABLE OF EXTRABUDGETARY RESOURCES, USA CONTRIBUTIONS ARE ESTIMATES AND CAN BE EXPLAINED AS FOLLOWS: \$450,000 FOR TECHNICAL ASSISTANCE--THIS REPRESENTS A SIMILAR SUM TO THAT FOR 1977 GIVEN TO THE AGENCY FOR RECRUITMENT OF TA EXPERTS FROM CONTRIBUTIONS-IN-KIND. THE FIGURES FOR 1978 COULD CHANGE SUBSTANTIALLY, DEPENDING ON BREAKDOWN NEXT YEAR OF U.S. CONTRIBUTIONS-IN-KIND. \$50,000 FOR FOOD AND AGRICULTURE--THIS REPRESENTS USDA FUNDING FOR AGENCY'S CONTRIBUTION (MAINLY RESEARCH) TO AID TSE-TSE FLY PROJECT IN TANZANIA. THIS FIGURE COULD CHANGE SUBSTANTIALLY IF USDA DECIDES TO PROVIDE FUNDS UNDER CONTRACT WITH AGENCY TO PROVIDE STERILE MEDITERRANEAN FRUIT FLIES FOR CENTRAL AMERICA. \$35,000 FOR LIFE SCIENCES--THIS REPRESENTS ANTICIPATED CONTINUED ERDA FUNDING THROUGH RESEARCH CONTRACT WITH AGENCY FOR ITS PROGRAM ON INSTRUMENTATION FOR MEDICAL RADIOISOTOPE APPLICATIONS IN DEVELOPING LIMITED OFFICIAL USE

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COUNTRIES. \$500,000 FOR SAFEGUARDS--THIS REPRESENTS ANTICIPATED LEVEL OF FUNDS THAT WILL ACTUALLY FLOW THROUGH AGENCY FROM THE U.S. SAFEGUARDS SUPPORT PROGRAM. (IT DOES NOT RPT NOT INCLUDE OTHER FUNDS UNDER THIS PROGRAM EXPENDED DIRECTLY BY BNL/ISPO OR ANY OTHER ORGANIZATIONS.)

7. ON BALANCE, WE TEND TO SIDE WITH THOSE WHO SAY WE SHOULD COUNT OUR BLESSINGS IF THE DG CAN GET HIS REVISED BUDGET THROUGH THE BG UNSCATHED. DEPENDING ON HOW THE DISCUSSIONS GO, WE MAY WANT TO RECORD OUR CONCERN AT THE REDUCTIONS FOR THE SAFEGUARDS PROGRAM, AS ONE OF THE 26 MEMBER STATES BEING CHARGED FOR THE INCREASES IN THAT PROGRAM. IN SUM, WE RECOMMEND THAT U.S. DDL BE AUTHORIZED TO SUPPORT DG'S PROPOSED REVISED BUDGET AND, IF CIRCUMSTANCES

WARRANT, TO MAKE BRIEF STATEMENTS AS  
NOTED ABOVE. LABOWITZ

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## Message Attributes

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**Type:** TE  
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